



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony of the Connecticut Insurance Department

Before

The Insurance and Real Estate Committee

February 10, 2011

Senate Bill 878—An Act Exempting from Regulation Certain Nonprofit Volunteer Ambulance Services or Companies

The Connecticut Insurance Department would like to provide the following historical information to the Insurance and Real Estate Committee regarding the issues which led to the introduction of Senate Bill 878—An Act Exempting from Regulation Certain Nonprofit Volunteer Ambulance Services or Companies.

In March of 2009, the Connecticut Insurance Department was asked by Senator Maynard's office to respond to a request he had received from the Westerly Ambulance Company which operates in southeastern Connecticut. The Westerly Ambulance Company concluded that they would no longer accept a membership fee for ambulance coverage because, according to their interpretation, it conflicted with the definition of insurance under Connecticut General Statutes Section 38a-1(10). The Connecticut Insurance Department was then asked by Senator Maynard's office whether or not we were in agreement with Westerly's interpretation and we concurred.

The Connecticut Insurance Department reviewed the applicable statutes, case law and other relevant authorities and concluded, based on the facts presented, that the Westerly Ambulance Company was correct in its interpretation. When matters are brought to the Department's attention, as was the case with the Westerly Ambulance Company, the Department does not have the ability to make exceptions to statutes, even those which may appear to be minimal or non-controversial.

This bill clearly indicates that such programs are not subject to state insurance laws regulating insurance companies or state laws regulating Medical Discount Plans.

Finally, the Department would also like to direct members of the Insurance and Real Estate Committee to the testimony presented by the Department of Public Health outlining their opposition to this initiative.